

COMMONWEALTH OF AUSTRALIA

Trade Practices Act 1974

Notice pursuant to section 91B

In relation to authorisation A90472
Suburban Taxi Service Pty Ltd

1. Introduction

- 1.1. The Australian Competition and Consumer Commission (the Commission) is the Commonwealth agency responsible for administering the *Trade Practices Act 1974* (the TPA). A key objective of the TPA is to prevent anti-competitive conduct, thereby encouraging competition and efficiency in business. This results in a greater choice for consumers with regard to price, quality and service.
- 1.2. The TPA, however, allows the Commission to grant immunity from legal action for anti-competitive conduct in certain circumstances. One way in which parties may obtain immunity is to apply to the Commission for what is known as an 'authorisation'.
- 1.3. Broadly, the Commission may 'authorise' parties to engage in anti-competitive conduct where it is satisfied that the public benefit flowing from the conduct outweighs any public detriment from any lessening of competition.

Revocation of authorisations

- 1.4. Section 91B of the TPA provides that a person to whom an authorisation was granted, or another person on behalf of such a person, may apply to the Commission for a revocation of the authorisation.
- 1.5. On receipt of such an application, the Commission is required to write to interested parties advising them that application for revocation has been applied for, the basis on which revocation has been applied for, and invite submissions in respect of the application.
- 1.6. After considering any submissions from interested parties in relation to the revocation, the Commission may make a determination in writing either revoking the authorisation or deciding not to revoke the authorisation.
- 1.7. Suburban Transport Services Pty Ltd, formerly known as Suburban Taxi Service Pty Ltd (Suburban), in a letter to the Commission received on 21 April 2004, advised that due to considerable changes in the taxi industry since 1988, authorisation has become unnecessary and is no longer required.

2. Authorisation A90472

- 2.1. The Commission's predecessor, the Trade Practices Commission (the TPC) granted authorisation A90472 to Suburban on 28 January 1988.
- 2.2. Suburban sought authorisation to penalise or suspend from its radio booking system any driver who:
 - refused to accept payment by means of the taxi hire account systems approved by Suburban; or
 - failed to display the decals of those account systems approved by Suburban.
- 2.3. The TPC had granted authorisation for similar conduct to Deluxe Red & Yellow Cabs Co-operative Trading Society Limited (Deluxe) on 25 February 1986.
- 2.4. The Commission is not required to be guided by precedent. Although it can accept what has been raised previously and consider whether the issues are relevant.
- 2.5. The TPC found that the public benefits applied in respect of Deluxe also applied in respect of Suburban in that:
 - consumers should not be misled as to the credit services offered by individual taxis; and
 - drivers should be required to display and offer approved account systems, and that such systems should be accepted throughout the network.
- 2.6. The TPC accepted that reasonable requirements to secure this resulted in a benefit to the public such that the conduct should be allowed to take place.
- 2.7. A copy of the TPC's determination is available at the Commission's website www.accc.gov.au

3. Notice

- 3.1. This document is a notice to interested parties pursuant to section 91B advising that application for revocation has been applied for on the basis of considerable changes in the taxi industry since 1988 and as a consequence authorisation is no longer required. Accordingly, the Commission proposes to revoke authorisation A90472.
- 3.2. Interested parties are invited to make submissions on the Commission's proposal. Any submission should be lodged by **close of business Friday 11 June 2004.**

3.3. Submissions should be in writing and addressed to:

The General Manager
Adjudication Branch
Australian Competition & Consumer Commission
PO Box 1199
DICKSON ACT 2602

3.4. Submissions may also be lodged by e-mail to adjudication@acc.gov.au or by facsimile to (02) 6243 1211.

3.5. Submissions will be placed on the Commission's Public Register.